

LIFE Education Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August 2019



Company Registration Number: 08102628 (England and Wales)

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LIFE Education Trust

Reference and Administrative Details

Members

Mrs T Burrowes-Cromwell
Mr A Morgan (resigned 31st August 2019)
Mr I Wigston
Mr T Elbourne

Trustees

Mrs T Burrowes-Cromwell
Mr M Debens
Mrs L Douglas (Chair)
Mr J R Dutnall, CEO
Mrs S Malik
Mrs M Cherry
Mr S Odart (resigned 15 May 2019)
Mr D Mansfield (resigned 31st August 2019)
Mr A Morgan (appointed 3rd June 2019)
Mr R Bristow (appointed 1st September 2019)

Trust Executive Team:

| | |
|-----------------------|----------------|
| CEO | Julian Dutnall |
| Business Manager | Denise Broom |
| Director of Standards | Ian Gurman |
| Executive Assistant | Kathy Hardy |

School senior leadership teams:

The Frances Bardslev Academy for Girls

| | |
|-----------------------|----------------|
| Headteacher | Mr J R Dutnall |
| Senior Vice Principal | Mr D Turrell |
| Vice Principal | Mrs E Darabasz |
| Vice Principal | Mr W Menlove |
| Vice Principal | Mr P Claydon |
| Business Manager | Mrs D Broom |

Benhurst Primary School

| | |
|-----------------------|-----------------|
| Headteacher | Mr D Denchfield |
| Deputy Headteacher | Mrs K Hart |
| Assistant Headteacher | Mrs K Garratty |
| Assistant Headteacher | Mrs K Loyns |

Dame Tipping Primary

| | |
|--------------------|--------------|
| Headteacher | Mrs K Waters |
| Deputy Headteacher | Ms A Holmes |

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Reference and Administrative Details

Margaretting Primary School

Headteacher
Senior Teacher

Mrs M O'Regan
Ms M Bryan

The Bridge

Head of School

Mrs T Cox

Principal and Registered Office

The Frances Bardsley Academy for Girls
Brentwood Road
Romford
Essex
RMI 2RR

Company Registration Number

08102628 (England and Wales)

Independent Auditor

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1M 7AD

Bankers

Lloyds Bank Plc
21-25 Station Lane
Hornchurch
Essex
RM12 6JL

Solicitors

DWF LLP
Scott Place
2 Hardman Street
Manchester
M3 3AA

LIFE Education Trust

Trustees Report for the year ended 31 August 2019

This is the annual report together with the financial statements and auditor's report of LIFE Education Trust, a charitable company, for the year 1 September 2018 to 31 August 2019. This annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates primary and secondary academies in Essex. During the period 1st September 2018 to 31st August 2019, LIFE Education Trust operated Benhurst Primary school, Dame Tipping Voluntary Controlled Church of England Primary School, Margaretting Voluntary Controlled Church of England Primary School and The Frances Bardsley Academy for Girls, as well as The Bridge Independent School for students with medical needs and mental health issues. Its academies have a combined pupil capacity of 2,099 pupils and had a roll of 1,900 in the school census on October 2019. The basis on which pupils are admitted varies from school to school. Each school has their own admission policy which can be found on their respective websites.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of LIFE Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as LIFE Education Trust. It also operated as Benhurst Primary School, Dame Tipping VC Primary School, Margaretting VC Primary School, The Frances Bardsley Academy for Girls, and The Bridge Independent School during the 2018/19 academic year.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Subject to the provisions of the Companies Act, a director or other officer of the trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

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Trustees Report for the year ended 31 August 2019

Method of Recruitment and Appointment or Election of Trustees

The management of the Trust is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- Up to 9 directors appointed by the Members including the CEO.
- Up to 3 Directors appointed by the Chelmsford Diocesan Education Trust provided that the total number of Directors appointed under this Article would not thereby exceed 25% of the total number of Directors.
- Up to two co-opted directors appointed by members.

The term of office for any director is 4 years. The CEO's term of office runs parallel with his term of appointment. Subject to remaining eligible to be a particular type of director, any director may be reappointed for a further term in accordance with the articles.

New trustees are appointed in accordance with the articles. Appointment follows a vacancy arising and is then based on a skills audit, receipt of biography or curriculum vitae and interview with an existing Board member to fill the existing skills gap.

Policies and Procedures Adopted for the Induction and Training of Trustees

All directors receive detailed induction which includes a meeting with the Chair, CEO and Clerk to the Board and detailed induction materials.

Organisational Structure

See appendix 1 for the organisational structure of the LIFE Education Trust. The governance structure was last approved by the Department for Education in April 2019 prior to the Trust being granted Sponsor status.

The CEO is the accounting officer in the Trust. The scheme of delegation indicates how decisions are made and the powers that are delegated to committees and individuals.

A scheme of delegation is completed for each individual school in the Trust and can be accessed via the website. The powers delegated to each school will depend on the Ofsted Category of the school and the results of the Board's Due Diligence but a standard template for a GOOD or OUTSTANDING School is used.

There are a number of key expectations that the Trust expects all groups to demonstrate – these are to:

- Comply with the Articles of Association and Academies Financial Handbook
- Keep up to date with demographic, political and education changes at national and local level
- Keep up to date with key performance indicators used by educational regulators.
- Support the values of the Trust

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Trustees Report for the year ended 31 August 2019

- Prepare for and actively contribute in Trust meetings
- Actively engage in the development of the Trust
- Model and engage in personal and professional development
- Support the development of others including through coaching and mentoring
- Maintain registers of Pecuniary Interests

Progress is monitored by the Governing Body on a regular basis through the use of the Healthchecks and external scrutiny via internal and external audit.

Arrangements for setting pay and remuneration of key management personnel

The Pay Policy for the Trust for 2018/19 highlights the arrangements by which the pay and remuneration of the academy's key management personnel is set and the way in which benchmarking criteria is used. This includes head teachers and central Trust staff. A copy of the pay policy is available on request.

Trade union facility time

The Trust does not employ any trade union officials.

Employee involvement

The Trust encourages staff contributions at all levels and collaboration between the academies; principals also meet regularly to share knowledge and good practice. Each school holds regular staff meetings and briefings. New staff undergo a full induction programme and teachers take part in regular training during the school year.

Disabled employees

The Trust ensures that training, career development and promotion opportunities are available to all employees.

Applications for employment by disabled people are given full and fair considerations. If an employee becomes disabled, every effort is made to meet their needs so that their employment may continue.

Related Parties and other Connected Charities and Organisations

The Trust, through Frances Bardsley Academy, is a member of the Havering Learning Partnership. This is a soft federation of 18 secondary schools and 2 colleges in the London Borough of Havering. The annual membership fee is £3,000. There is no obligation on the Trust relating to membership but access is provided to a range of resources, meetings and activities for free or at a reduced rate.

Frances Bardsley Academy is also a member of the Association of State Girls Schools and the National Coalition of Girls Schools. The annual membership fee for each of these is £500 but confers no obligations on the Trust.

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Trustees Report for the year ended 31 August 2019

The Trust, through both Benhurst Primary School and Dame Tipping VC Primary School, is a member of two Havering Local Authority cluster groups. These are soft federations to which membership is free and they entail no obligation on the part of the Trust. The Trust also works with the Ann Frank Trust which supports and trains the students at FBA annually.

The Trust paid £495 (2018: £554) to Graffham Consulting, of which Mrs Louise Douglas is a director, during 2018/19 for services related to Safeguarding Training. This cost to the Trust was well below the market value for the services provided.

Dame Tipping VC Primary School paid £2,940 to Mrs Judith Dutnall, the wife of Mr Julian Dutnall, the Trust CEO and a director for her services as a teacher at the school. Mrs Dutnall was interviewed by the Trust Business Manager and is paid a rate of £30 per hour which is below the agency rate for a teacher on the Upper Pay Range. This related party transaction was disclosed to the Pay and Personnel Committee and to the Board on 27 November 2018.

The Bridge paid £19,250 to Tutor Doctor of which Mrs Katrin Dennehy is a Director for the provision of supply teaching personnel. Mrs Dennehy was a governor of The Bridge during the year. The cost was below standard commercial terms for specialist supply cover in an SEMH school.

Objectives and Activities

Objects and Aims

The principal object and activity of the Trust for 2018/19 is the operation of LIFE Education Trust to provide a broad and balanced education for pupils of all abilities in the Havering and Essex areas. The directors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy. In accordance with the articles of association approved by the Secretary of State for Education, the academy has adopted a scheme of delegation which has been accepted by the Department for Education.

Objectives, Strategies and Activities

The Trust has undertaken self-evaluation activities to correctly identify objectives for each year. The objectives for 2018/19 were embedded in the Strategic Plan:

- Achievement: Optimise achievement and attainment for all students in the MAT
- Ethos: Ensure all schools understand and can demonstrate a shared ethos whilst holding to their own identity and values
- Efficiency: Increase the size of the MAT and embed our structures to secure economies of scale and effective collaboration
- Collaboration: Ensure effective collaboration between schools within the MAT and with other providers
- Preparation: Ensure all students are fully prepared for their future life
- Improvement: Create an effective school improvement system
- Learning: Ensure high quality teaching and learning

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Trustees Report for the year ended 31 August 2019

The main activities for achieving the objectives the Trust undertook were:

- Greater collaboration with local schools
- Raising standards through use of Lead Practitioners and the Director of Standards
- The development of new policies and procedures and implementation of a new self-evaluation framework.
- The use of Peer to Peer evaluations involving Trust schools but also Davenant Foundation School, West Hatch School and RJ Mitchell Primary School.

The Trust's ethos during 2018/19 was encompassed in the Trust's Principles of Learning from the Past, Living in the Present and Looking to the Future. These are explained in the following statements:

- **Learning from the Past**

We recognise and celebrate the traditions of our families, cultures, schools, locality and all religions whilst holding broadly Christian values and British values. This principle will be evident in our school customs (House system, Team points, key school anniversaries, student achievements etc.). Values will be taught explicitly and implicitly in a range of ways (assemblies, PSHCEE/PSHE lessons, Circle Time, visiting speakers etc.).

- **Living in the Present**

We see the importance of becoming self-aware, of the need to recognise the opportunities and dangers of the current time including issues raised by the internet and social media and the dangers of extremism. All those in our communities will be taught to care for others, to work hard, to remain positive and to enjoy the present. This principle will be evident in a sense of engagement and involvement in our learning and in a range of activities and extra-curricular experiences, a growing appreciation for our own and others' strengths and weaknesses and learning, charity and international work.

- **Looking to the Future**

We will all seek to identify what we want to achieve in life, to plan for our future, considering future possibilities, adding value to society, developing life skills and an awareness of future education opportunities and the world of work. This principle will be evident in rich careers provision, Work Experience, visiting speakers from different sectors, student conferences and the embedding of positive thinking.

During the academic year, the Trust worked closely with an external agent, aba Design who assisted in the creation of a new set of beliefs centred on the vision: To Dare To Achieve. The new beliefs, which were approved by the Executive Team and The Board during 2019 are: Courageous Optimism, Boundless Creativity and Heartfelt Compassion.

- Each Trust school is also expected to become :
 - An efficient school: A financially and structurally viable organisation.

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Trustees Report for the year ended 31 August 2019

- An effective school: Providing expert, vibrant and exciting teaching; focusing relentlessly on the learning and achievement of children and young people and challenging and supporting students to make progress and reach their potential.
- An enriching school: Providing an imaginative, engaging and flexible curriculum offering a wide range of challenging, enjoyable and relevant experiences inside and outside the classroom; Helping children and young people develop an appreciation of diversity and understanding the rights and responsibilities of a global community.
- An enabling school: Motivating and supporting children and young people to develop our characteristics to become confident, resilient and autonomous learners; to engage with parents in supporting their children's progress and wellbeing and to make the effective transition to the next stage of their learning.

Public Benefit

The LIFE Education Trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission [on their website at Charities and Public Benefit] in exercising their powers or duties.

As a Trust we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- Contribution to services and events in the local community particularly through drama and music
- Sports Leader programs that provide sporting activities to local Primary Schools.
- Opening the FBA School Farm which has been described by Ofsted as "an oasis" and "vibrant" is open to local primary schools
- Provision of an art gallery which is open to the public
- Collaboration with local schools
- The use of LIFE student ambassadors who have worked with Network Rail and Transport for London on positive mental health strategies

Strategic Report

Achievements and Performance

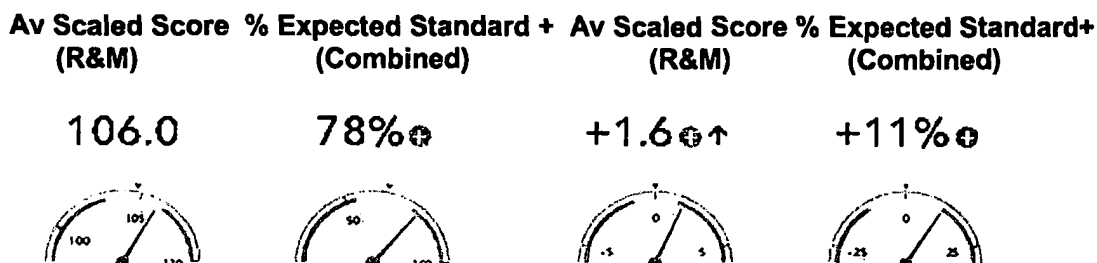
Examination Headline Results (Provisional)

2018-19 was a hugely successful year for the Trust's schools, and this was confirmed on receipt of each school's results in the summer. At time of writing (October 2019) Government performance tables are not yet available, but FFT analysis of the Trust's primary outcomes show that in 3 of the 4 headline measures, the Trust has scored "Significantly above the national average".

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FFT MAT Overview (Primary KS2)



The dashboard above reflect the aggregate results of Benhurst, Dame Tipping and Margaretting. The Trust also supported Roxwell VC Primary School pupils to achieve a strong set of results despite the context of a failed Ofsted inspection and the resignation of their headteacher.

At KS1, there was a very strong set of results across the Trust, with individual schools achieving their best ever outcomes in some measures, and all schools doing so for the combined measures; which are well above the national average at both the expected standard and at greater depth.

At KS2, there was much to celebrate in every school, with the overall Trust figures being shown in the dashboard above. Margaretting (and Roxwell) continued the excellent results of previous years. Benhurst and Dame Tipping both had variable outcomes in 2017 and 2018, but the results in both schools have shown that their past weak results were anomalous and that they are now securely achieving results at the higher levels.

We await the national performance tables to put Frances Bardsley's excellent outcomes into a national context, but it is clear that they achieved an excellent set of results – their best ever! – and that the school now has a very strong 3 year upward trend at both key stages.

A brief summary of each school's performance follows:

Benhurst

- Achieved some of its best KS1 results ever, with 3 year rising trends at the expected standard in all subjects, including combined. All outcomes are significantly higher than the national average.
- At KS2, the results were a huge improvement on 2018, and close to the highs of 2017, confirming the 2018 results as anomalous. The combined Greater Depth (GD) score of 10% is the only score below the national average (although individual GD subject scores were all above national).

Dame Tipping

- Achieved some of its best KS1 results ever. The combined score at the expected standard is on a 3 year rising trend and is now above the national average. The GD scores rose

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significantly and are significantly higher than the national average in the GD combined measure.

- KS2 outcomes dipped slightly, but cohort size is so small, one pupil makes a significant difference. Their outcomes are broadly in line with the national average and, in reading, maths and combined, results in 2018 and 2019 are notably higher than 2017.

Margaretting

- Maintained the outstanding results to which it has become accustomed in both key stages and in all measures. The outcomes at Greater Depth are particularly strong.
- Every single outcome achieved exceeds the national average; many significantly so.

Frances Bardsley

- Every single KS4 measure has improved in 2019 compared to 2018, other than for English at 4+, (which was already very high) which were the highest ever for the school.
- Improvements at 5+ (and higher grades) were particularly strong, leading to significant rises in the Attainment 8 and Progress 8 scores.
- Every KS5 measure improved in 2019 compared to 2018, with only A*/A below the national average.
- Results at both key stages were the school's highest ever and the school now has an extremely strong 3 year upward trajectory.

The Bridge

- Outcomes at the Bridge are best judged against criteria other than examination results; however, ten Year 11 students sat 28 GCSEs between them (in English, maths, biology and art) as well as sitting Functional Skills exams.
- 86% of grades met or exceeded their Bridge target grade, with 46% exceeding them.

Other measures of success in 2018-19

Examination results are not the only measure of our schools' success. As a Trust, we have developed a rigorous set of **Healthchecks**, which evaluate all aspects of school performance and which are presented termly to Governors and Directors for scrutiny. These documents show, in detail, the improvements and success in every school.

LIFE schools have always valued robust, external quality assurance. Last year, the Trust developed a system of **External Peer Reviews**, whereby the Director of Education, headteachers from other LIFE schools, with senior leaders from non-Trust schools, carry out a thorough whole-school review, feed back findings and recommendations and provide a written report to school and Trust leaders.

Three Trust schools also received **Ofsted** inspections last year:

Benhurst School had an Ofsted short inspection in March 2019, which confirmed, "This school continues to be good". Comments included:

- "You have fostered uncompromising determination for every child to succeed".
- "Your work to ensure that pupils are tolerant of the views and beliefs of others is highly effective".

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Trustees Report for the year ended 31 August 2019

- "Pupils appreciate and enjoy the family ethos of their school. They value highly the support provided to them by every member of the school staff, and the range of opportunities open to them".
- "Governors know the school well and they work well with the chief executive officer of the multi-academy trust to identify areas for further improvements".

The Bridge received its first full standard inspection in May 2019, which judged the school to good in all respects and outstanding for personal development, behaviour and welfare. Comments included:

- "Leaders and staff at all levels provide strong role models for pupils to become reflective, successful learners".
- "Pupils are highly motivated and show very positive attitudes to learning".
- "Pupils and parents commented on the impact the school has had on attendance and hence pupils' learning and progress".
- "The trust's model of self-evaluation, the 'health checks', is effective in uniting school leaders, governors and trust staff in a common approach to providing support and challenge to drive the school forward".

Frances Bardsley Academy had an Ofsted short inspection in July 2019, which confirmed, "This school continues to be good". Comments included:

- "Pupils have high aspirations. One pupil said that 'there is a real focus here on empowerment for women'".
- "There is a strong culture of safeguarding that runs through the school".
- "Typically, one parent wrote, 'I am proud that my daughter attends this school'".
- "Governors are committed to school improvement and know the school well. Together with the headteacher, they have put a system of 'health checks' in place to challenge and support school leaders".

Roxwell School received an inadequate judgment from its Ofsted inspection in February 2019, which resulted in the school being given an academy order. As a result, LIFE Trust applied for, and achieved, "sponsor status" in April 2019 and sponsored Roxwell's conversion to join the Trust on 1 September 2019.

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MAT Schools' Attendance data (Taken from the Government school performance tables)

| | 2016-17 | | 2017-18 | | 2018-19 | |
|-------------------------------------------------------|---------------|---------------------------------------|---------------|---------------------------------------|---------------------------------|-----------------------------------------------------------|
| | <i>School</i> | <i>National Average for Secondary</i> | <i>School</i> | <i>National Average for Secondary</i> | <i>School (school-reported)</i> | <i>National Average for Secondary (not yet available)</i> |
| Frances Bardsley | | | | | | |
| Persistent Absence (% of pupils with attendance <90%) | 10.2% | 13.5% | 10.1% | 13.9% | 7.6% | / |
| % Attendance | 95.4% | 94.6% | 95.5% | 94.5% | 96.2% | / |
| | <i>School</i> | <i>National Average for Primary</i> | <i>School</i> | <i>National Average for Primary</i> | <i>School (school-reported)</i> | <i>National Average for Primary (not yet available)</i> |
| | | | | | | |
| Benhurst | | | | | | |
| Persistent Absence (% of pupils with attendance <90%) | 10.1% | 8.3% | 9.0% | 8.7% | 5.0% | / |
| % Attendance | 95.6% | 96.0% | 95.5% | 95.8% | 96.1% | / |
| Dame Tipping | | | | | | |
| Persistent Absence (% of pupils with attendance <90%) | | | | | 4.6% | / |
| % Attendance | | | | | 96.6% | / |
| Margaretting | | | | | | |
| Persistent Absence (% of pupils with attendance <90%) | | | | | 0.0% | / |
| % Attendance | | | | | 95.0% | / |

- The Attendance and Persistent Absence rates at FBA are both improving year-on-year and are significantly better than the national average rates.
- The Attendance and Persistent Absence rates at Benhurst have both compared unfavourably to national averages in recent years. These were subject to intensive action last year and both improved significantly; they are expected to be better than the 2018-19 national averages when they are published.

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- This was the first year that Dame Tipping and Margaretting were in the Trust. Whilst the Persistent Absence rate in both schools was very good, as was the attendance rate at Dame Tipping, there is room for improvement in Margaretting's attendance rate.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

During the period, ESFA/LA grants received totalled to £10,802,403 (2018: £9,039,662). Other income included within restricted funds totalled to £461,688 (2018: £306,991). Restricted fund expenditure totalled to £11,476,867 (2018: £9,800,815).

The main source of unrestricted income is from lettings totalling £173,005 (2018: £154,317).

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Trust also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Trust has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plans and school aims. Also the increase of the PAN at Frances Bardsley Academy and the increased revenue from lettings at both Frances Bardsley Academy and Benhurst Primary School will ensure future financial viability

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Reserves Policy

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Trust's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (i.e. is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The directors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Trust. The directors are working with the Trust Executive to create a robust Reserves Policy that takes into account the changing nature and composition of the Trust.

Total reserves at the end of the period amounted to £928,944 (2018: £691,254) before deductions of pension's reserve of £3,117,000 (2018: £1,573,000)

This balance includes unrestricted funds (free reserves) of £nil (2018: £nil), which is considered appropriate for the Trust, and restricted funds of £928,944 (2017: £691,254).

The amount of designations made in relation to the unrestricted reserves totals to £nil (2017: £nil).

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme LGPS), the Trust recognises a significant pension fund deficit totalling to £3,117,000 (2018: £1,573,000). This deficit is included within restricted funds.

This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Each Local Governing Body receives a financial progress report at each of its meetings. The Trust Pay and Personnel Committee receives financial updates for central Trust funds and for each school at every meeting. The Chief Executive Officer, Business development manager

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and Finance Manager meet on a monthly basis to discuss the month end reports and this information is disseminated to the Chair of the Board.

Investment Policy

It should be noted that the Trust has substantial power with regards to investments due to cash balances held. Investment policies are determined at Trust level. This ensures the level of funds that each Academy holds can cover any immediate expenditure, without exposing them to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2019, no funds were held in Special Interest Deposit accounts.

Principal Risks and Uncertainties

The Companies Act 2006 s417 (3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust's system of internal controls ensures risk is minimal in these areas.

A risk register has been created and its structure was discussed with directors at a conference in January 2016. The register was reviewed when the SAT became a MAT in July 2016 and is regularly reviewed at each Trust Committee and Board meeting. Where appropriate, systems or procedures have been established to mitigate the risks the Trust faces. Internal control risks are minimised by the implementation of procedures for control and authorisation of all transactions and projects.

The directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, its finances, premises and risks to reputation. The directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme.

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Plans for Future Periods

For the 2019/20 academic year the Trust will again focus on 5 key objectives:

| |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRIORITY: PERFORMANCE |
| 1. ACHIEVEMENT & IMPROVEMENT |
| A. All schools to be rated as at least "above average" in national performance tables for headline progress measures in all key stages |
| B. All schools to be rated as at least above the national average for headline attainment measures in all key stages |
| C. Progress for disadvantaged pupils in all schools to be above 0.0 |
| D. In-school gaps between disadvantaged pupils and their non- disadvantaged peers are minimal and diminishing |
| E. Attendance in all schools to be above national average |
| F. Persistent Absence in all schools to be below the national average |
| G. No pupil group to be disproportionately represented in poor attendance or persistent absence figures |
| H. Specific KPIs for each school to be met |
| I. All schools have clear curriculum models at all levels, with a clearly understood rationale and which ensures depth and breadth of learning for all pupils |
| J. Development plans in all schools are focused, clear and include centrally agreed priorities |
| K. All schools to be judged Good or better by Ofsted |
| PRIORITY: STRUCTURE |
| 2. ETHOS |
| A. Clear Vision, Mission and Beliefs in place for Trust with key celebration events for staff and students involving all Trust schools and all schools rated positively on their Healthchecks for ethos |
| B. LIFE International is in place with sustainable income stream, clear staff structure and impact on at least two countries overseas as well as Trust staff, students and other UK schools |
| C. All Church schools are prepared for the new SIAMS framework, with their core values aligned to SIAMS expectations in addition to those of the Trust, with Trust staff involved in local and national Church of England networks |
| D. Trust succession plans have led to high internal promotion rates within Trust schools with 3 internal Trust promotions evident |
| E. All schools have strong systems and structures for ensuring positive mental health for staff and students |
| F. The Trust and its individuals schools are fully engaged in the life of their communities |
| G. Careers strategy for Trust created and embedded |

LIFE Education Trust
Trustees Report for the year ended 31 August 2019

| |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRIORITY: STRUCTURE |
| 3. EFFICIENCY |
| A. The contribution to the central MAT fund increases to reflect the maturing of the MAT |
| B. Schemes of delegation and terms of reference are clear and ensure appropriate levels of control |
| C. A list of core and additional services is available for all schools including an affiliation scheme and including testimonials and benefits achieved by MAT schools |
| D. Training for Board, LGBs and key staff in place including annual LGB training |
| E. All Trust policies are in place with a clearly published calendar for a rolling programme for reviews |
| F. An increasing number of MAT roles replace single school responsibilities |
| G. The Trust risk register is maintained and shared with other MATs as exemplar |
| PRIORITY: GROWTH |
| 4. COLLABORATION |
| A. All LIFE team staff and middle leaders in schools are involved in networks to support good practice in their area of expertise |
| B. Shared bespoke INSET activities increase for LIFE schools with increasing focus on relevant teaching and learning activities |
| C. Established regular LIFE events and activities in place on annual basis and in response to inspirational initiatives – to increase by at least 50% each year |
| D. All LIFE Executive leaders are involved in local initiatives and the majority are part of national initiatives |
| E. Non-Executive collaboration develops through engagement with other MATs |
| F. Strong links with the Local Authority remain and develop to reflect changing educational landscape with greater emphasis on partnership |
| PRIORITY: GROWTH |
| 5. EXPANSION |
| A. The Trust consists of 11-20 schools in 2 or 3 local authorities all in clear interconnected and collaborative hubs with hub leaders |
| B. The Trust works collaboratively on educational and operational issues with at least 5 other local MATs and 2 national MATs |
| C. Every LIFE school is both a giver and receiver of support both within and beyond the Trust |
| D. LIFE website and social media presence is vibrant |

LIFE Education Trust
Trustees Report for the year ended 31 August 2019

Auditor

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

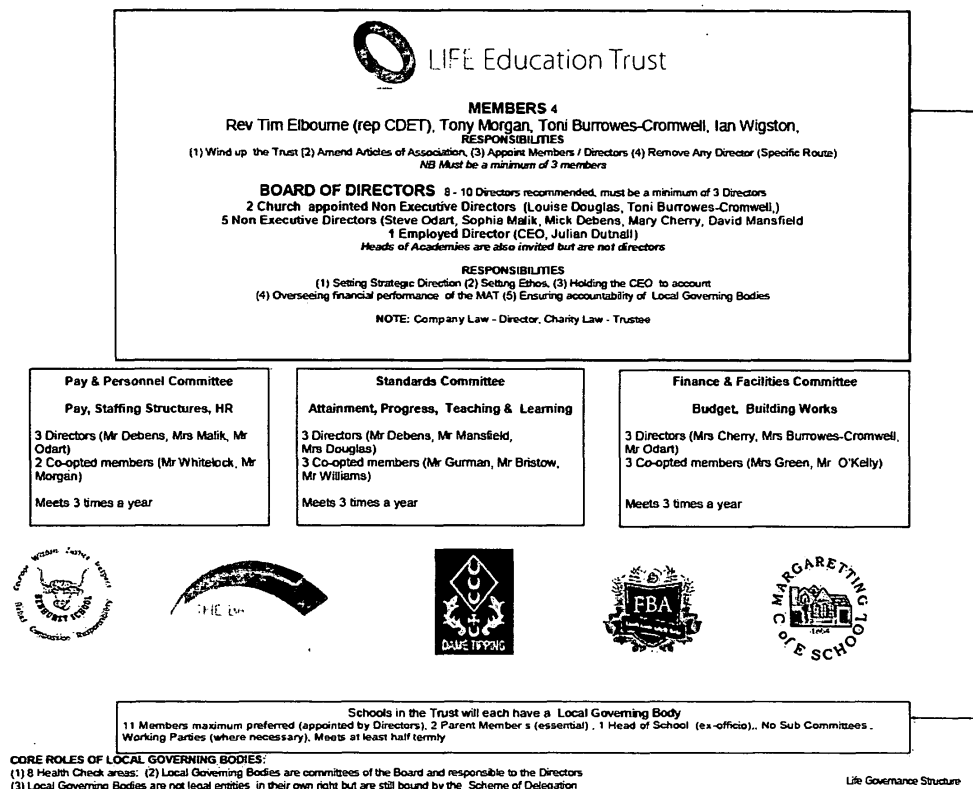
Kingston Smith LLP changed their name to Moore Kingston Smith LLP on 9 September 2019 and have accordingly signed their report in their new name. They signified their willingness to continue in office and a resolution proposing that they be re-appointed as auditors will be put to the Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26th November 2019 and signed on the board's behalf by:



Louise Douglas
Trustee

APPENDIX 1

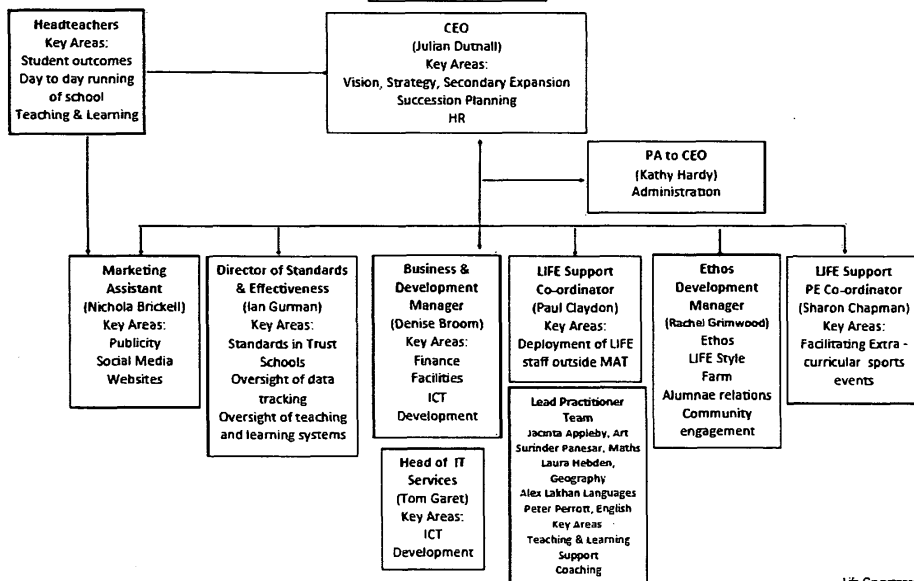




LIFE Education Trust

BOARD OF DIRECTORS 8 - 10 Directors recommended, must be a minimum of 3 Directors
2 Church appointed Non Executive Directors (Louise Douglas, Toni Burrows-Cromwell,)
5 Non Executive Directors (Steve Odart, Sophia Malik, Mick Debens, Mary Cherry, David Mansfield)
1 Employed Director (CEO Julian Duttall)
Heads of Academies are also invited but are not directors

EXECUTIVE TEAM



LIFE Education Trust

Governance Statement for the year ended 31 August 2019

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that LIFE Education Trust has effective and appropriate systems of control, financial and otherwise. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between LIFE Education Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year including their Strategic Away Day.

Attendance at main Board meetings and committees in the year was as follows:

| Directors | Meetings attended | Out of Possible | % |
|---------------------------|-------------------|-----------------|-----|
| Mr S Odart | 3 | 6 | 50 |
| Mr M Debens | 8 | 9 | 88 |
| Mrs S Malik | 4 | 6 | 67 |
| Mr J R Dutnall | 12 | 12 | 100 |
| Mr D Mansfield | 0 | 6 | 0 |
| Mrs T Burrowes-Cromwell | 6 | 6 | 100 |
| Mrs L Douglas | 8 | 8 | 100 |
| Mrs M Cherry | 5 | 6 | 84 |
| Overall Board attendance: | | | 74% |

LIFE Education Trust
Governance Statement for the year ended 31 August 2019

Attendance at Local Governing Body meetings in the year was as follows:

Local Governing Body Frances Bardsley

| Trustees | Meetings attended | Out of Possible | % |
|---------------------------|--------------------------|------------------------|------------|
| Father RSP Hingley | 8 | 8 | 100 |
| Mr A Morgan | 8 | 8 | 100 |
| Mr R Bristow | 8 | 8 | 100 |
| Mrs D Green | 4 | 8 | 50 |
| Mrs A Hawkins | 8 | 8 | 100 |
| Mr P A O'Kelly | 7 | 8 | 88 |
| Mrs L Boxer | 7 | 8 | 88 |
| Cllr N Patel | 4 | 8 | 50 |
| Mrs A Peace | 8 | 8 | 100 |
| Mr J R Dutnall | 8 | 8 | 100 |
| Overall attendance | | | 87% |

Local Governing Body Benhurst Primary

| Trustees | Meetings attended | Out of Possible | % |
|---------------------------|--------------------------|------------------------|------------|
| Mr F Steel | 7 | 7 | 100 |
| Mr D Denchfield | 7 | 7 | 100 |
| Mr D Jefferys | 5 | 7 | 71 |
| Mr K Cooper | 6 | 7 | 86 |
| Mrs A Fakayode | 5 | 7 | 71 |
| Mrs B Mills | 5 | 7 | 71 |
| Miss A Gray | 5 | 7 | 71 |
| Mr P Whitelock | 7 | 7 | 100 |
| Mrs F Sangobowale | 5 | 7 | 71 |
| Mrs S McCarthy | 7 | 7 | 100 |
| Overall attendance | | | 84% |

Local Governing Body Dame Tipping

| Trustees | Meetings attended | Out of possible | % |
|---------------------------|--------------------------|------------------------|------------|
| Mrs E Knightbridge | 6 | 7 | 86 |
| Mrs S Bimpong | 5 | 7 | 71 |
| Rev D Anderton | 7 | 7 | 100 |
| Mr G Brome | 7 | 7 | 100 |
| Mrs K Waters | 7 | 7 | 100 |
| Mrs E Potts | 5 | 7 | 71 |
| Mrs M Hagon | 5 | 7 | 71 |
| Mr D Denchfield | 6 | 6 | 100 |
| Overall attendance | | | 87% |

Local Governing Body Margaretting Primary

| Trustees | Meetings attended | Out of possible | % |
|-----------------|--------------------------|------------------------|----------|
| Mrs J Stringer | 3 | 3 | 100 |
| Mrs J Wilson | 6 | 7 | 86 |
| Mrs M O'Regan | 7 | 7 | 100 |
| Mrs C Elliott | 7 | 7 | 100 |

LIFE Education Trust
Governance Statement for the year ended 31 August 2019

| | | | |
|--------------------|---|---|------------|
| Mrs S Monger | 6 | 7 | 86 |
| Mrs L Fajimolu | 6 | 6 | 100 |
| Mr D Turrell | 3 | 3 | 100 |
| Mr E Belloy | 4 | 4 | 100 |
| Mrs D Woods | 1 | 1 | 100 |
| Overall attendance | | | 97% |

Local Governing Body – The Bridge

| Trustees | Meetings attended | Out of possible | % |
|--------------------|--------------------------|------------------------|------------|
| Mrs K Dennehy | 3 | 4 | 75 |
| Mrs A Hawkins | 3 | 4 | 75 |
| Mrs L Harvey | 3 | 4 | 75 |
| Rev F RSV Hingley | 2 | 4 | 50 |
| Mrs N James | 3 | 4 | 75 |
| Mr B Read | 2 | 4 | 50 |
| Overall attendance | | | 67% |

The responsibilities and scope of duties of the trustees and its subcommittees is contained within the scheme of delegation which is available on request. The Board uses a HealthCheck system for ensuring that it is fully aware of the performance of each of its schools. This system was originally based on a successful model from the Reach2 Multi Academy Trust but has now been significantly reviewed in February 2018 and June 2019. The 8 Healthcheck areas are Leadership and Management; Quality of Education; Personal development and Behaviour and Attitudes (which represent the revised 4 Ofsted areas) as well as Ethos; Premises; Finance; and Human Resources. Each school works with its governors to provide a termly Healthcheck for each of these 8 areas. Areas of concern are noted as red and an exception report is provided to the Board or its subcommittee.

The Board is pleased to report that through working closely with the Church of England, a third Voluntary Controlled School, Roxwell Primary, was added to the Trust on 1st September 2019. Much of the preparatory work was conducted during the 2018/19 summer term.

Governance review

The Board reviewed their performance in January 2019 and determined to continue with the Healthcheck process in a revised form which happened during June and July 2019. The composition of the Board changed during 2019. Steve Odart resigned on 15th May and was replaced by Tony Morgan. Tony brings a wealth of experience as a former Bank Manager and current Head of Victim Support. David Mansfield resigned as a director on 31st August and was replaced on 1st September 2019 by Mr Rob Bristow. Rob brings a wealth of experience in education having worked in several local authorities as a school leader and as a 14-19 strategy leader. David Mansfield became a Member of the Trust on that date after Tony Morgan resigned from that position. This new structure will ensure strong attendance at meetings and a balance of skills. The DfE approved the governance structure in April 2019.

LIFE Education Trust

Governance Statement for the year ended 31 August 2019

All governors conducted a skills audit in September 2018. This led to all governing bodies having access to the National Governors Association information and website. The Board will review its performance again in January 2020.

The Finance and Facilities Committee is a sub-committee of the main board of trustees. Its purpose is outlined in its terms of reference and in the scheme of delegation. This includes but is not limited to:

1. Performance manage schools via the Finance and Premises School Health checks
2. Receive and recommend annual budgets for each school and the Central Trust to the Board. Monitor school and Trust budgets.
3. Prepare the financial statements for presentation to the Board and approve management letters.
4. Recommend appointment of external auditors
5. Review timely returns to ESFA in accordance with deadlines
6. Receive and review internal and external audit statements and reports
7. Oversee financial procedures including compliance with DfE, ESFA and AfH
8. Review the register of interests of budget holders regarding 3rd party transactions
9. Oversee site and premises operational management including compliance with Health & Safety and other legal requirements
10. Review the condition survey and asset management reports
11. Oversee premises related funding bids
12. Review plans for new build and refurbishment projects
13. Receive annual Health & Safety audit and major incident reports.

Review of Value for Money

As accounting officer the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing staffing costs at all schools. Reductions were made through restructures at Dame Tipping which ensured a significant reduction in the school's deficit whilst maintaining a balanced budget and at Frances Bardsley which ensured a balanced budget.
- Increasing the lettings at Frances Bardsley Academy and Benhurst Primary School so that over £160,000 per annum is now received
- Using the combined buying power of the Trust to reduce the cost of contracts and services to all schools eg. Combined Catering, HR, legal and Payroll services

LIFE Education Trust

Governance Statement for the year ended 31 August 2019

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in LIFE Education Trust for the period 1st September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties • identification and management of risks

The board of trustees has considered the need for a specific internal audit function and decided to appoint SBM as internal auditor for all schools for the period 1st September 2018 to 31st August 2019

The internal audit role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems • testing of purchase systems • testing of control account/ bank reconciliations

LIFE Education Trust

Governance Statement for the year ended 31 August 2019

On a termly basis, the internal reviewer reports to the board of trustees, through the Finance and Facilities Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Trust can confirm that the internal auditor delivered their schedule of work as planned. There were no material control issues arising from the reports.

Review of Effectiveness

As accounting officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor/responsible officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Facilities Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 26th November 2019 and signed on its behalf by:



Louise Douglas
Trustee

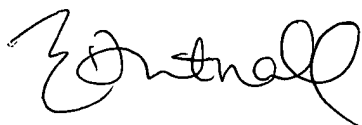
LIFE Education Trust

Statement of Regularity, Propriety and Compliance for the year ended 31 August 2019

As accounting officer of the LIFE Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees can identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mr J R Dutnall
Accounting Officer
Date: 26th November 2019

LIFE Education Trust

Statement of Trustees' Responsibilities for the year ended 31 August 2019

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other regularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 26th November 2019 and signed on its behalf by:



Louise Douglas
Trustee

Independent Auditor's Report on the Financial Statements to the Members of LIFE Education Trust

Opinion

We have audited the financial statements of LIFE Education Trust ('the academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRS's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditor's Report on the Financial Statements to the Members of
LIFE Education Trust
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures or trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent Auditor's Report on the Financial Statements to the Members of
LIFE Education Trust
(continued)**

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Use of this report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: *5 December 2019*

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Independent Reporting Accountant's Assurance Report on Regularity to LIFE Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 January 2018 and further to the requirements of the Education Funding and Skills Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by LIFE Education Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to LIFE Education Trust an ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to LIFE Education Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than LIFE Education Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of LIFE Education Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of LIFE Education Trust's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook, extant from 1 September 2019 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

Independent Reporting Accountant's Assurance Report on Regularity to LIFE Education Trust and the Education and Skills Funding Agency

The work undertaken to draw to our conclusion includes:

- Review of the Accounting Officer's statement on regularity, propriety and compliance and the evidence supporting it;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Review of minutes of the Board, various committees and sub-committees, management accounts, internal scrutiny findings reports and discussions with key personnel;
- Evaluation and walk through of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses;
- Walk through and sample testing of staff expense claims and credit card expenditure, to ensure these adhere to internal control procedures and are not for personal benefit;
- Sample test transactions for compliance with procurement policies, and that these comply with delegated authorities;
- Obtain and review key staff and governors' register of interests;
- Sample test transactions for compliance with procurement policies, and that these comply with delegated authorities;

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Kingston Smith LLP

Date: 1 December 2019

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

LIFE Education Trust

Statement of Financial Activities for the year ended 31 August 2019

(including Income and Expenditure Account and Statement of Changes in Equity)

| | Note | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2019 £000 | Total 2018 £000 |
|-------------------------------------------------------------|--------|-------------------------------|----------------------------------------|--------------------------------------------|-----------------------|-----------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | - | - | 85 | 85 | 138 |
| Transfer from Local Authority on conversion | 27 | - | (301) | - | (301) | - |
| Charitable activities: | | | | | | |
| Funding for the academy trust's educational operations | 3 | 16 | 11,248 | - | 11,264 | 9,347 |
| Other trading activities | 4 | 331 | 6 | - | 337 | 197 |
| Investments | 5 | 2 | - | - | 2 | 1 |
| Total | | 349 | 10,953 | 85 | 11,387 | 9,683 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 6, 7 | 14 | 11,477 | 509 | 12,000 | 10,312 |
| Total | | 14 | 11,477 | 509 | 12,000 | 10,312 |
| Net income/(expenditure) | | 335 | (524) | (424) | (613) | (629) |
| Transfers between funds | 17 | (335) | 148 | 187 | - | - |
| Other recognised gains/(losses): | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 17, 25 | - | (930) | - | (930) | 563 |
| Net movement in funds | | - | (1,306) | (237) | (1,543) | (66) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | - | (882) | 28,409 | 27,527 | 27,593 |
| Total funds carried forward | | - | (2,188) | 28,172 | 25,984 | 27,527 |

All of the academy's activities derive from continuing operations during the above two financial periods.

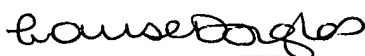
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The detailed comparative information for the Statement of Financial Activities is included in note 28.

LIFE Education Trust
Balance Sheet as at 31 August 2019

| | Notes | 2019 £000 | 2019 £000 | 2018 £000 | 2018 £000 |
|-------------------------------------------------|-------|----------------|---------------|----------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | | 28,172 | | 28,403 |
| Current assets | | | | | |
| Stock | 14 | - | | 4 | |
| Debtors | 15 | 209 | | 150 | |
| Cash at bank and in hand | | <u>1,186</u> | | <u>1,002</u> | |
| | | 1,395 | | 1,156 | |
| Liabilities | | | | | |
| Creditors : Amounts falling due within one year | 16 | <u>(466)</u> | | <u>(459)</u> | |
| Net current assets | | | 929 | | 697 |
| Total assets less current liabilities | | | 29,101 | | 29,100 |
| Net assets excluding pension liability | | | 29,101 | | 29,100 |
| Defined benefit pension scheme liability | 25 | | (3,117) | | (1,573) |
| Total net assets | | | <u>25,984</u> | | <u>27,527</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 17 | 28,172 | | 28,409 | |
| General fund | 17 | 929 | | 691 | |
| Pension reserve | 17 | <u>(3,117)</u> | | <u>(1,573)</u> | |
| Total restricted funds | | | 25,984 | | 27,527 |
| Unrestricted income funds | 17 | | - | | - |
| Total funds | | | <u>25,984</u> | | <u>27,527</u> |

The financial statements on pages 32 to 50 were approved by the trustees, and authorised for issue on 28th November 2019 and are signed on their behalf by:



Mrs L Douglas

Trustee

LIFE Education Trust

Statement of Cash Flows for the year ended 31 August 2019

| | Notes | 2019 £000 | 2018 £000 |
|-------------------------------------------------------------|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 385 | 176 |
| Cash flows from investing activities | 22 | (201) | (493) |
| Change in cash and cash equivalents in the reporting period | | 184 | (317) |
| Cash and cash equivalents at 1 September 2018 | | 1,002 | 1,319 |
| Cash and cash equivalents at 31 August 2019 | 23 | 1,186 | 1,002 |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019

1 Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Company Information

LIFE Education Trust is a private company limited by guarantee, domiciled and incorporated in England and Wales. The registered office and principal place of business is The Frances Bardsley Academy for Girls, Brentwood Road, Romford, Essex, RM1 2RR.

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

LIFE Education Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

• Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

• Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and "Income from other trading activities". Upon sale, the value of the stock is charged against "Income from other trading activities" and the proceeds are recognised as "Income from other trading activities". Where it is impractical to fair value the items to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within "Income from other trading activities".

1 Statement of Accounting Policies (continued)**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in a settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including the support costs involved in undertaking each activity. Direct costs attributable to a single activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|------------------------------|------------------------------------------------|
| Freehold property | 2% straight line basis |
| Long-term leasehold property | Straight line basis over the term of the lease |
| Fixtures and fittings | 20% straight line basis |
| Computer equipment | 33% straight line basis |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in the settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods and services it must provide.

Provisions

Provisions can be recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle an obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the last pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1 Statement of Accounting Policies (continued)

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

1 Statement of Accounting Policies (continued)**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2019 £000 |
|----------------|-------------------------------|----------------------------------------|--------------------------------------------|-----------------------|
| Capital Grants | - | - | 85 | 85 |
| 2018/19 Total | - | - | 85 | 85 |
| 2017/18 Total | - | - | 138 | 138 |

3 Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|---------------------------------------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 9,420 | 9,420 | 8,122 |
| Start Up Grants | - | 25 | 25 | - |
| Other DfE/ESFA grants | 18 | 618 | 634 | 418 |
| | 16 | 10,063 | 10,079 | 8,540 |
| Other Government grants | | | | |
| Local authority grants | - | 723 | 723 | 500 |
| | - | 723 | 723 | 500 |
| Other income from the academy trust's educational operations | - | 462 | 462 | 307 |
| 2018/19 Total | 16 | 11,248 | 11,264 | 9,347 |
| 2017/18 Total | - | 9,347 | | 9,347 |

4 Other trading activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | 173 | 6 | 179 | 155 |
| General income | 158 | - | 158 | 42 |
| 2018/19 Total | 331 | 6 | 337 | 197 |
| 2017/18 Total | 197 | - | | 197 |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

5 Investment Income

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | 2 | - | 2 | 1 |
| 2018/19 Total | 2 | - | 2 | 1 |
| 2017/18 Total | 1 | - | | 1 |

6 Expenditure

| | Staff Costs £000 | Non Pay Premises £000 | Expenditure Other £000 | Total 2019 £000 | Total 2018 £000 |
|-----------------------------------|------------------------|-----------------------------|------------------------------|-----------------------|-----------------------|
| Academy's educational operations: | | | | | |
| Direct costs | 7,600 | 516 | 817 | 8,933 | 7,720 |
| Allocated support costs | 1,684 | 479 | 904 | 3,067 | 2,592 |
| 2018/19 Total | 9,284 | 995 | 1,721 | 12,000 | 10,312 |
| 2017/18 Total | 8,182 | 326 | 1,804 | | 10,312 |

Net income/(expenditure) for the period includes:

| | 2019 £000 | 2018 £000 |
|----------------------------------------------------------|--------------|--------------|
| Depreciation | 510 | 495 |
| (Gain)/loss on disposal of fixed assets | - | 14 |
| Fees payable to auditor for: | | |
| Audit | 14 | 8 |
| Other services | 4 | 4 |
| Depreciation adjustments in relation to previous periods | - | (22) |

7 Charitable Activities

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2019 £000 | Total 2018 £000 |
|----------------------------------------|-------------------------------|----------------------------------------|--------------------------------------------|-----------------------|-----------------------|
| Direct costs - educational operations | 7 | 8,926 | - | 8,933 | 7,720 |
| Support costs - educational operations | 7 | 2,551 | 509 | 3,067 | 2,592 |
| 2018/19 Total | 14 | 11,477 | 509 | 12,000 | 10,312 |
| 2017/18 Total | 2 | 9,801 | 509 | | 10,312 |

Analysis of support costs

| | Educational operations £000 | Total 2019 £000 | Total 2018 £000 |
|---------------------|-----------------------------------|-----------------------|-----------------------|
| Support staff costs | 1,684 | 1,684 | 1,491 |
| Depreciation | 509 | 509 | 509 |
| Technology costs | 52 | 52 | 37 |
| Premises costs | 479 | 479 | 326 |
| Other support costs | 325 | 325 | 215 |
| Governance costs | 18 | 18 | 14 |
| | 3,067 | 3,067 | 2,592 |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

| | 2019 £000 | 2018 £000 |
|---------------------------------------------------|--------------|--------------|
| Wages and salaries | 7,019 | 5,979 |
| Social security costs | 658 | 610 |
| Operating costs of defined benefit pension scheme | 1,470 | 1,332 |
| | <u>9,147</u> | <u>7,921</u> |
| Supply staff costs | 133 | 249 |
| Staff restructuring costs | 4 | 12 |
| | <u>9,284</u> | <u>8,182</u> |
| Staff restructuring costs comprise: | | |
| Severance payments | 4 | 12 |
| | <u>4</u> | <u>12</u> |

b. Non statutory/non-contractual severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4,000 (2018: £12,000). Individually, the payment was: £4,000 (2018: £12,000).

c. Staff numbers

The average number of persons employed by the academy during the period was as follows:

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 125 | 99 |
| Administration and support | 123 | 101 |
| Management | 12 | 11 |
| | <u>260</u> | <u>211</u> |

The full time equivalent number of persons employed by the trust during the period was as follows:

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 100 | 86 |
| Administration and support | 75 | 69 |
| Management | 12 | 11 |
| | <u>187</u> | <u>166</u> |

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2019 No. | 2018 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 5 | 4 |
| £70,001 - £80,000 | 2 | 1 |
| £80,001 - £90,000 | 1 | - |
| £100,001 - £110,000 | - | 1 |
| £120,001 - £130,000 | 1 | - |

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £862,000 (2018: £724,000).

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Mr J R Dutnall
Remuneration £125,000 - £130,000 (2018: £100,000 - £105,000)
Employer's pension contribution: £25,000 - £30,000 (2018: £15,000 - £20,000)

No governors received reimbursements for expenses during the year ended 31 August 2019 (2018: none).

10 Trustees and officers insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £333 (2018: £805). The cost of this insurance is included in the total insurance cost.

11 Disclosure of central services

The academy trust has provided central services to its academies during the year, including human resources, financial services, legal services and educational support services.

The trust charges for these services based on rates of a minimum of £20,000 or 4% of the individual schools' ESFA core income for 2018/19. The Bridge, incorporated within Frances Bardsley, has been charged on a rate of 4% of Local Authority income.

The actual amounts charged during the year were as follows:

| | 2019 £000 | 2018 £000 |
|------------------------------------|--------------|--------------|
| Frances Bardsley Academy for Girls | 291 | 175 |
| Benhurst Primary School | 83 | 49 |
| Margaretting Primary School | 20 | - |
| | <u>374</u> | <u>224</u> |

12 Tangible fixed assets

| | Freehold Land and Buildings £000 | Leasehold Land and Buildings £000 | Furniture and Equipment £000 | Computer Equipment £000 | Total £000 |
|------------------------|-------------------------------------------|--------------------------------------------|------------------------------------|-------------------------------|---------------|
| Cost | | | | | |
| At 1 September 2018 | 23,364 | 6,676 | 253 | 440 | 30,733 |
| Additions | 149 | 62 | 41 | 36 | 288 |
| Disposals | - | (9) | - | - | (9) |
| At 31 August 2019 | <u>23,513</u> | <u>6,729</u> | <u>294</u> | <u>476</u> | <u>31,012</u> |
| Depreciation | | | | | |
| At 1 September 2018 | 1,795 | 76 | 131 | 328 | 2,330 |
| Charged in year | 342 | 27 | 55 | 86 | 510 |
| At 31 August 2019 | <u>2,137</u> | <u>103</u> | <u>186</u> | <u>414</u> | <u>2,840</u> |
| Net book values | | | | | |
| At 31 August 2019 | <u>21,376</u> | <u>6,626</u> | <u>108</u> | <u>62</u> | <u>28,172</u> |
| At 31 August 2018 | <u>21,569</u> | <u>6,600</u> | <u>122</u> | <u>112</u> | <u>28,403</u> |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

13 Financial instruments

| | 2019 £000 | 2018 £000 |
|-------------------------------------------------|----------------------|----------------------|
| Carrying amount of financial assets | | |
| Debt instruments measured at amortised cost | 108 | 74 |
| | <u>108</u> | <u>74</u> |
| Carrying amount of financial liabilities | | |
| Measured at amortised cost | 190 | 288 |
| | <u>190</u> | <u>288</u> |

14 Stock

| | 2019 £000 | 2018 £000 |
|---------------|----------------------|----------------------|
| General Stock | - | 4 |
| | <u>-</u> | <u>4</u> |

15 Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------|----------------------|----------------------|
| Trade debtors | 20 | 9 |
| VAT recoverable | 79 | 46 |
| Other debtors | - | 19 |
| Prepayments and accrued income | 110 | 78 |
| | <u>209</u> | <u>150</u> |

16 Creditors: Amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------------|----------------------|----------------------|
| Trade creditors | 9 | 85 |
| Other taxation and social security | - | 44 |
| Other creditors | 3 | 25 |
| Accruals and deferred income | 454 | 305 |
| | <u>466</u> | <u>459</u> |

Deferred Income

| | 2019 £000 | 2018 £000 |
|----------------------------------------|----------------------|----------------------|
| Deferred income as at 1 September 2018 | 171 | 108 |
| Resources deferred in the year | 211 | 171 |
| Amounts released from previous years | (171) | (108) |
| Deferred income as at 31 August 2019 | <u>211</u> | <u>171</u> |

At the balance sheet date the academy trust was holding funds received in advance for ESFA income of £129,000 (2018: £58,000), Local Authority income of £53,000 (2018: £35,000), lettings income of £4,000 (2018: £7,000), trip income of £22,000 (2018: £62,000), music fee income of £1,000 (2018: £8,000) and SMART income of £1,000 (2018: £nil).

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, Losses and Transfers £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|-------------------------------------------|----------------|---------------------|-------------------------------------------|-----------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 691 | 9,420 | (9,330) | 148 | 929 |
| Other DfE/ESFA grants | - | 843 | (843) | - | - |
| Transfer on conversion | - | (301) | - | 301 | - |
| Pension reserve | (1,573) | - | (313) | (1,231) | (3,117) |
| Other Income | - | 468 | (468) | - | - |
| | <u>(882)</u> | <u>10,953</u> | <u>(11,477)</u> | <u>(782)</u> | <u>(2,188)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 28,409 | 85 | (509) | 187 | 28,172 |
| | <u>28,409</u> | <u>85</u> | <u>(509)</u> | <u>187</u> | <u>28,172</u> |
| Total restricted funds | <u>27,527</u> | <u>11,038</u> | <u>(11,986)</u> | <u>(595)</u> | <u>25,984</u> |
| Total unrestricted funds | - | 349 | (14) | (335) | - |
| Total funds | <u>27,527</u> | <u>11,387</u> | <u>(12,000)</u> | <u>(930)</u> | <u>25,984</u> |

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the multi academy trust.

The restricted funds can only be used in terms of limitations imposed under the Funding Agreement with the DfE and the terms of any specific grant.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Restricted fixed asset funds have increased by capital grants provided by the DfE and funds transferred from General Annual Grant for the acquisition of fixed assets. Restricted fixed asset funds have reduced by the depreciation charges.

Unrestricted funds have been increased by voluntary contributions from parents and letting income, and decreased by expenditure incurred in the operation of the multi academy trust.

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Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds (continued)

Comparative information in respect of the preceeding period is as follows:

| | Balance at 1 September 2017 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses and Transfers £000 | Balance at 31 August 2018 £000 |
|-------------------------------------|-------------------------------------------|-------------------------------|-------------------------------|-------------------------------------------|-----------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,062 | 8,122 | (8,282) | (211) | 691 |
| Other DfE/ESFA grants | - | 418 | (418) | - | - |
| Local Authority Grant | - | 500 | (500) | - | - |
| Pension reserve | (1,842) | - | (294) | 563 | (1,573) |
| Other Income | - | 307 | (307) | - | - |
| | <u>(780)</u> | <u>9,347</u> | <u>(9,801)</u> | <u>352</u> | <u>(882)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 28,357 | 138 | (509) | 423 | 28,409 |
| | <u>28,357</u> | <u>138</u> | <u>(509)</u> | <u>423</u> | <u>28,409</u> |
| Total restricted funds | <u>27,577</u> | <u>9,485</u> | <u>(10,310)</u> | <u>775</u> | <u>27,527</u> |
| Total unrestricted funds | <u>16</u> | <u>198</u> | <u>(2)</u> | <u>(212)</u> | <u>-</u> |
| Total funds | <u>27,593</u> | <u>9,683</u> | <u>(10,312)</u> | <u>563</u> | <u>27,527</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | Balance at 1 September 2017 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses and Transfers £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|-------------------------------------------|-------------------------------|-------------------------------|-------------------------------------------|-----------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,062 | 17,542 | (17,612) | (63) | 929 |
| Other DfE/ESFA grants | - | 1,061 | (1,061) | - | - |
| Transfer on conversion | - | (301) | - | 301 | - |
| Local Authority Grant | - | 1,223 | (1,223) | - | - |
| Pension reserve | (1,842) | - | (607) | (668) | (3,117) |
| Other Income | - | 775 | (775) | - | - |
| | <u>(780)</u> | <u>20,300</u> | <u>(21,278)</u> | <u>(430)</u> | <u>(2,188)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/ESFA capital grants | 28,357 | 223 | (1,018) | 610 | 28,172 |
| | <u>28,357</u> | <u>223</u> | <u>(1,018)</u> | <u>610</u> | <u>28,172</u> |
| Total restricted funds | <u>27,577</u> | <u>20,523</u> | <u>(22,296)</u> | <u>180</u> | <u>25,984</u> |
| Total unrestricted funds | <u>16</u> | <u>547</u> | <u>(16)</u> | <u>(547)</u> | <u>-</u> |
| Total funds | <u>27,593</u> | <u>21,070</u> | <u>(22,312)</u> | <u>(367)</u> | <u>25,984</u> |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | Total 2019 £000 | Total 2018 £000 |
|-----------------------------------------------|-----------------------|-----------------------|
| Frances Bardsley Academy for Girls | 881 | 503 |
| Benhurst Primary School | 177 | 145 |
| Dame Tipping Primary School | (40) | - |
| Margaretting Primary School | 48 | - |
| Central services | 63 | 43 |
| Total before fixed assets and pension reserve | 929 | 891 |
| Restricted fixed asset fund | 28,172 | 28,409 |
| Pension reserve | (3,117) | (1,573) |
| Total funds | 25,984 | 27,527 |

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

| | Teaching and Educational Support Staff Costs £000 | Other Support Staff Costs £000 | Educational Supplies £000 | Other Costs (excluding depreciation) £000 | 2019 Total £000 | 2018 Total £000 |
|------------------------------------|------------------------------------------------------------------|-----------------------------------------|---------------------------------|----------------------------------------------------|-----------------------|-----------------------|
| Frances Bardsley Academy for Girls | 5,514 | 1,304 | 939 | 589 | 8,346 | 8,011 |
| Benhurst Primary School | 1,236 | 282 | 143 | 273 | 1,934 | 1,792 |
| Dame Tipping Primary School | 554 | 38 | 37 | 45 | 674 | - |
| Margaretting Primary School | 304 | 103 | 41 | 89 | 537 | - |
| Academy Trust | 7,608 | 1,727 | 1,160 | 996 | 11,491 | 9,803 |

18 Analysis of net assets between Funds

Fund balances at 31 August 2019 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|----------------------------------------|-----------------------------------------------|------------------------|
| Tangible fixed assets | - | - | 28,172 | 28,172 |
| Current assets | - | 1,395 | - | 1,395 |
| Current liabilities | - | (466) | - | (466) |
| Pension scheme liability | - | (3,117) | - | (3,117) |
| Total net assets | - | (2,188) | 28,172 | 25,984 |

Fund balances at 31 August 2018 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|----------------------------------------|-----------------------------------------------|------------------------|
| Tangible fixed assets | - | - | 28,403 | 28,403 |
| Current assets | - | 1,150 | 6 | 1,156 |
| Current liabilities | - | (459) | - | (459) |
| Pension scheme liability | - | (1,573) | - | (1,573) |
| Total net assets | - | (882) | 28,409 | 27,527 |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

19 Capital Commitments

| | 2019 £000 | 2018 £000 |
|--------------------------------------------------------------|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | 5 |

20 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2019 £000 | 2018 £000 |
|----------------------------------------|--------------|--------------|
| Amounts due within one year | 18 | 11 |
| Amounts due between two and five years | 8 | 14 |
| | <u>24</u> | <u>25</u> |

21 Reconciliation of Net Income/(expenditure) to Net Cash Inflow from Operating Activities

| | 2019 £000 | 2018 £000 |
|----------------------------------------------------------------|--------------|--------------|
| Net income/(expenditure) for the reporting period | (613) | (629) |
| <i>Adjusted for:</i> | | |
| Depreciation | 510 | 498 |
| (Profit)/loss on disposal of fixed assets | - | 14 |
| Capital grants from DfE/ESFA and other capital income | (85) | (138) |
| Transferred on conversion to an academy trust | 301 | - |
| Interest receivable | (2) | (1) |
| Defined benefit pension scheme cost less contributions payable | 313 | 294 |
| (Increase)/decrease in stocks | 4 | - |
| (Increase)/decrease in debtors | (59) | 76 |
| Increase/(decrease) in creditors | 16 | 64 |
| Net Cash provided by / (used in) Operating Activities | <u>385</u> | <u>176</u> |

22 Cash flows from Investing activities

| | 2019 £000 | 2018 £000 |
|-------------------------------------------------------|--------------|--------------|
| Dividends, interest and rents from investments | 2 | 1 |
| Purchase of tangible fixed assets | (288) | (632) |
| Capital grants from DfE Group | 85 | 138 |
| Net Cash provided by / (used in) investing Activities | <u>(201)</u> | <u>(493)</u> |

23 Analysis of cash and cash equivalents

| | 2019 £000 | 2018 £000 |
|---------------------------------|--------------|--------------|
| Cash in hand and at bank | 1,186 | 1,002 |
| Total cash and cash equivalents | <u>1,186</u> | <u>1,002</u> |

24 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

25 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Havering. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS affecting contributions during the year, was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effect date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- the assumed real rate of return of 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed normal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.48% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

25 Pension and Similar Obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £743,000 (2018: £668,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £538,000 (2018: £463,000), of which employer's contributions totalled £430,000 (2018: £371,000) and employees' contributions totalled £108,000 (2018: £93,000). The agreed contribution rates for future years are 20.3% for employers and 6.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy closure, outstanding Local Government Pension Scheme Liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

| | 2019 | 2018 |
|----------------------------------------------------|-------|-------|
| Rate of increase in salaries | 2.90% | 2.50% |
| Rate of increase for pensions in payment/inflation | 2.30% | 2.50% |
| Discount rate for scheme liabilities | 1.85% | 2.75% |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

| | 2019 | 2018 |
|-----------------------------|-------|-------|
| <i>Retiring today</i> | | |
| Males | 21.20 | 22.00 |
| Females | 23.40 | 24.20 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.40 | 23.90 |
| Females | 25.00 | 26.30 |

Sensitivity analysis

| | 2019 £000 | 2018 £000 |
|---------------------|--------------|--------------|
| Salary rate +0.5% | 93 | 70 |
| Discount rate -0.5% | 1,070 | 721 |
| CPI rate +0.5% | 965 | 645 |

The academy's share of the assets in the scheme were:

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| Equity instruments | 3,343 | 2,720 |
| Gilts | 1,964 | 1,464 |
| Property | 450 | 418 |
| Cash and other liquid assets | 649 | 628 |
| Total market value of assets | <u>6,406</u> | <u>5,230</u> |

Amounts recognised in the statement of financial activities:

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Current service cost | (659) | (616) |
| Past service cost | (31) | - |
| Interest income | 157 | 116 |
| Interest cost | (210) | (164) |
| Total amount recognised in the SOFA | <u>(743)</u> | <u>(664)</u> |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and Similar Obligations (continued)

Changes in the fair value of defined benefit obligations were as follows:

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| At 1 September | 6,803 | 6,516 |
| Conversion of academy trusts | 649 | - |
| Current service cost | 659 | 616 |
| Interest cost | 210 | 164 |
| Employee contributions | 108 | 93 |
| Actuarial (gain)/loss | 1,201 | (451) |
| Benefits paid | (138) | (135) |
| Past service cost | 31 | - |
| At 31 August | 9,523 | 6,803 |

Changes in the fair value of Academy's share of scheme assets:

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| At 1 September | 5,230 | 4,674 |
| Conversion of academy trusts | 348 | - |
| Interest income | 157 | 116 |
| Actuarial gain/(loss) | 271 | 112 |
| Employer contributions | 430 | 370 |
| Employee contributions | 108 | 93 |
| Benefits paid | (138) | (135) |
| At 31 August | 6,406 | 5,230 |

26 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The Trust paid £495 (2018: £554) to Graffham Consulting, of which Mrs Louise Douglas is a director, during 2018/19 for services related to Safeguarding Training.

Dame Tipping Primary School paid £2,940 during 2018/19 to Mrs Judith Dutnall, the wife of Mr Julian Dutnall, the Trust CEO and a director for her services as a teacher at the school.

The Bridge paid £19,250 to Tutor Doctor of which Mrs Katrin Dennehy is a Director for the provision of supply teaching personnel. Mrs Dennehy was a governor of The Bridge during the year. The cost was below standard commercial terms for specialist supply cover in an SEMH school.

27 Conversion to an academy trust

On 1 September 2018, Dame Tipping C of E Primary School and Margaretting C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to LIFE Education Trust from Havering London Borough

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as the net loss in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

| | Unrestricted Funds £000 | Restricted General Fund £000 | Restricted Fixed Asset Funds £000 | Total £000 |
|----------------------------------|-------------------------------|---------------------------------------|--------------------------------------------|---------------|
| Non current liabilities: | | | | |
| - LGPS pension surplus/(deficit) | - | (301) | - | (301) |
| Net assets/(liabilities) | - | (301) | - | (301) |

LIFE Education Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

28 Comparative Statement of Financial Activities

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total 2018 £000 |
|------------------------------------------------------------------|-------------------------------|----------------------------------------|--------------------------------------------|-----------------------|
| Income and endowments from: | | | | |
| Donations and capital grants | - | - | 138 | 138 |
| Charitable activities: | | | | |
| Funding for the academy trust's educational operations | - | 9,347 | - | 9,347 |
| Other trading activities | 197 | - | - | 197 |
| Investments | 1 | - | - | 1 |
| Total | 198 | 9,347 | 138 | 9,683 |
| Expenditure on: | | | | |
| Charitable activities: | | | | |
| Academy trust educational operations | 2 | 9,801 | 509 | 10,312 |
| Total | 2 | 9,801 | 509 | 10,312 |
| Net income / (expenditure) | 196 | (454) | (371) | (629) |
| Other recognised gains/(losses): | | | | |
| Actuarial (losses) / gains on defined benefit pension schemes | - | 563 | - | 563 |
| Net movement in funds | (16) | (102) | 52 | (66) |
| Reconciliation of funds | | | | |
| Total funds brought forward | 16 | (780) | 28,357 | 27,593 |
| Total funds carried forward | - | (882) | 28,409 | 27,527 |